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ATTORNEYS FOR PLAINTIFF FEDERAL TRADE COMMISSION

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION,

Plaintiff,

vs.

WEALTH EDUCATORS, INC., also
d/b/a Family 1st Preservations; Family
1st Home Loans; Legal Affiliates &
Associates; Legal Educators & Co.;
Family 1st Home Preservation; Legal
Educators USA & Co.; Stargate Mutual
& Associates; Providence Financial
Advocates; and Providence Financial
Audits; and VERONICA SESMA, also
d/b/a Sesma Consulting,

Defendants.

No. CV-15-2357 SJO (JEMx)

PRELIMINARY INJUNCTION WITH
ASSET FREEZE AND OTHER
RELIEF

Date: May 4, 2015

Time: 10:00 a.m.

Place: Courtroom 1, the Honorable
Judge S. James Otero

1 Plaintiff, Federal Trade Commission (“FTC” or “Commission”), filed its
 2 Complaint for Permanent Injunction and Other Equitable Relief and *Ex Parte*
 3 Application for Temporary Restraining Order with Asset Freeze and Other Relief
 4 and Order to Show Cause Why Preliminary Injunction Should Not Issue (“Order”)
 5 on March 31, 2015. The Court entered the requested Order on April 6, 2015.
 6 Defendants were served with the Order and other related papers on April 8, 2015.
 7 Returns of Service have been filed by Plaintiff via ECF (Dkt. 19 and 20).

8 Having considered the parties’ pleadings, papers, and argument, the Court
 9 hereby **GRANTS** the Preliminary Injunction against Defendants Wealth
 10 Educators, Inc., also d/b/a Family 1st Preservations, Family 1st Home Loans, Legal
 11 Affiliates & Associates, Legal Educators, & Co., Family 1st Home Preservation,
 12 Legal Educators USA & Co., Stargate Mutual & Associates, Providence Financial
 13 Advocates, and Providence Financial Audits, and Veronica Sesma, also d/b/a
 14 Sesma Consulting.

15 FINDINGS

- 16 1. This Court has jurisdiction over the subject matter of this case.
- 17 2. Venue is proper in this District.
- 18 3. The Court finds that the extensive evidence provided by the FTC is
 19 sufficient to demonstrate a likelihood of success on the merits with respect to its
 20 Complaint allegations that Wealth Educators, Inc., and Veronica Sesma violated
 21 Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), by making false claims to induce
 22 consumers to purchase mortgage assistance relief services (“MARS”) and failing
 23 to provide consumers with promised refunds when they were unable to secure the
 24 promised MARS.
- 25 4. The Court finds that the extensive evidence provided by the FTC is
 26 sufficient to demonstrate a likelihood of success on the merits with respect to its
 27 Complaint allegations that Wealth Educators, Inc., and Veronica Sesma violated
 28 Regulation O, 12 C.F.R. §§ 1015.3 – 1015.5, by collecting illegal advance fees, by

1 misrepresenting the time it will take to obtain a loan modification, and by failing to
2 make required disclosures.

3 5. There is good cause to believe that immediate and irreparable harm
4 will result from Defendants' ongoing violations of Section 5(a) of the FTC Act, 15
5 U.S.C. § 45(a), and Regulation O, 12 C.F.R. §§1015.3 – 1015.5, unless Defendants
6 are restrained and enjoined by Order of this Court.

7 6. There is good cause to believe that immediate and irreparable harm to
8 the Court's ability to grant effective final relief for consumers in the form of
9 monetary restitution and disgorgement of ill-gotten gains will occur from the
10 transfer, dissipation, or concealment by Defendants of their assets or business
11 records unless Defendants are restrained and enjoined by Order of this Court.

12 7. Because the injunction will preclude only harmful, illegal behavior,
13 the public equities supporting injunctive relief outweigh any burden imposed by
14 such relief on Defendants and the requested relief is in the public interest.

15 8. No security is required of any agency of the United States for the
16 issuance of a temporary restraining order. Fed. R. Civ. P. 65(c).

17 ORDER

18 DEFINITIONS

19 1. **“Asset”** or **“Assets”** means any legal or equitable interest in, right to,
20 or claim to, any real, personal, or intellectual property of any Defendant, or held
21 for the benefit of any Defendant, wherever located, whether in the United States or
22 abroad, including, but not limited to, chattel, goods, instruments, equipment,
23 fixtures, general intangibles, effects, leaseholds, contracts, mail or other deliveries,
24 shares of stock, commodities, futures, inventory, checks, notes, accounts, credits,
25 receivables (as those terms are defined in the Uniform Commercial Code), cash,
26 and trusts, including, but not limited to, any trust held for the benefit of any
27 Defendant, any of the Individual Defendant's minor children, or any of the
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1 Individual Defendant's spouses, and shall include both existing assets and assets
2 acquired after the date of entry of this Order.

3 2. **"Assisting others"** includes:

- 4 a. performing customer service functions, including receiving or
5 responding to consumer complaints;
6 b. formulating or providing, or arranging for the formulation or
7 provision of, any advertising or marketing material, including
8 any telephone script, direct mail solicitation, or the design, text,
9 or use of images of any Internet website, email, or other
10 electronic communication;
11 c. formulating or providing, or arranging for the formulation or
12 provision of, any marketing support material or service,
13 including web or Internet Protocol addresses or domain name
14 registration for any Internet websites, affiliate marketing
15 services, or media placement services;
16 d. providing names of, or assisting in the generation of, potential
17 customers;
18 e. performing marketing, billing, or payment services of any kind;
19 or
20 f. acting or serving as an owner, officer, director, manager, or
21 principal of any entity.

22 3. **"Commercial communication"** means any written or oral statement,
23 illustration, or depiction, whether in English or any other language, that is designed
24 to effect a sale or create interest in purchasing any service, plan, or program,
25 whether it appears on or in a label, package, package insert, radio, television, cable
26 television, brochure, newspaper, magazine, pamphlet, leaflet, circular, mailer, book
27 insert, free standing insert, letter, catalogue, poster, chart, billboard, public transit
28 card, point of purchase display, film, slide, audio program transmitted over a

1 telephone system, telemarketing script, onhold script, upsell script, training
 2 materials provided to telemarketing firms, program-length commercial
 3 (“infomercial”), the internet, cellular network, or any other medium. Promotional
 4 materials and items and Web pages are included in the term “commercial
 5 communication.”

6 4. **“Consumer-specific commercial communication”** means a
 7 commercial communication that occurs prior to the consumer agreeing to permit
 8 the provider to seek offers of mortgage assistance relief on behalf of the consumer,
 9 or otherwise agreeing to use the mortgage assistance relief service, and that is
 10 directed at a specific consumer.

11 5. **“General commercial communication”** means a commercial
 12 communication that occurs prior to the consumer agreeing to permit the provider to
 13 seek offers of mortgage assistance relief on behalf of the consumer, or otherwise
 14 agreeing to use the mortgage assistance relief service, and that is not directed at a
 15 specific consumer.

16 6. **“Defendants”** means the Individual Defendant and the Corporate
 17 Defendant, individually, collectively, or in any combination, and each of them by
 18 whatever names each might be known.

19 a. **“Corporate Defendant”** means Wealth Educators, Inc., and its
 20 successors, assigns, affiliates, or subsidiaries, and each of them
 21 by whatever names each might be known.

22 b. **“Individual Defendant”** means Veronica Sesma and any other
 23 names by which she might be known.

24 7. **“Document”** and **“electronically stored information”** are
 25 synonymous in meaning and equal in scope to the usage of the terms in Rule 34(a)
 26 of the Federal Rules of Civil Procedure and include, but are not limited to:

27 a. The original or a true copy of any written, typed, printed,
 28 electronically stored, transcribed, taped, recorded, filmed,

1 punched, or graphic matter or other data compilations of any
2 kind, including, but not limited to, letters, email or other
3 correspondence, messages, memoranda, interoffice
4 communications, notes, reports, summaries, manuals, magnetic
5 tapes or discs, tabulations, books, records, checks, invoices,
6 work papers, journals, ledgers, statements, returns, reports,
7 schedules, or files; and

- 8 b. Any electronically stored information stored on any
9 Blackberrys, flash drives, personal digital assistants (“PDAs”),
10 desktop personal computer and workstations, laptops,
11 notebooks, and other portable computers, or other electronic
12 storage media, whether assigned to individuals or in pools of
13 computers available for shared use, or personally owned but
14 used for work-related purposes; backup disks and tapes, archive
15 disks and tapes, and other forms of offline storage, whether
16 stored onsite with the computer used to generate them, stored
17 offsite in another company facility, or stored, hosted, or
18 otherwise maintained offsite by a third party; and computers
19 and related offline storage used by Defendants or Defendants’
20 participating associates, which may include persons who are not
21 employees of the company or who do not work on company
22 premises.

23 8. **“Electronic data host”** means any person or entity that stores, hosts,
24 or otherwise maintains electronically stored information.

25 9. **“Financial institution”** means any bank, savings and loan institution,
26 credit union, or any financial depository of any kind, including, but not limited to,
27 any brokerage house, trustee, broker-dealer, escrow agent, title company,
28 commodity trading company, or precious metal dealer.

1 10. **“Material fact”** means any fact that is likely to affect a person’s
2 choice of, or conduct regarding, goods, or services.

3 11. **“Mortgage assistance relief service”** means any product, service,
4 plan, or program, offered or provided to the consumer in exchange for
5 consideration, that is represented, expressly or by implication, to assist or attempt
6 to assist the consumer with any of the following:

- 7 a. stopping, preventing, or postponing any mortgage or deed of
8 trust foreclosure sale for the consumer’s dwelling, any
9 repossession of the consumer’s dwelling, or otherwise saving
10 the consumer’s dwelling from foreclosure or repossession;
- 11 b. negotiating, obtaining, or arranging a modification of any term
12 of a dwelling loan, including a reduction in the amount of
13 interest, principal balance, monthly payments, or fees;
- 14 c. obtaining any forbearance or modification in the timing of
15 payments from any dwelling loan holder or servicer on any
16 dwelling loan;
- 17 d. negotiating, obtaining, or arranging any extension of the period
18 of time within which the consumer may (i) cure his or her
19 default on a dwelling loan, (ii) reinstate his or her dwelling
20 loan, (iii) redeem a dwelling, or (iv) exercise any right to
21 reinstate a dwelling loan or redeem a dwelling;
- 22 e. obtaining any waiver of an acceleration clause or balloon
23 payment contained in any promissory note or contract secured
24 by any dwelling; or
- 25 f. negotiating, obtaining, or arranging (i) a short sale of a
26 dwelling, (ii) a deed-in-lieu of foreclosure, or (iii) any other
27 disposition of a dwelling other than a sale to a third party who
28 is not the dwelling loan holder.

1 The foregoing shall include any manner of claimed assistance, including, but not
 2 limited to, auditing or examining a consumer's mortgage or home loan application
 3 and offering to provide or providing legal services.

4 12. **"Person"** means a natural person, organization, or other legal entity,
 5 including a corporation, partnership, proprietorship, association, cooperative, or
 6 any other group or combination acting as an entity.

7 **I.**

8 **PROHIBITION ON COLLECTION OF ADVANCE FEES**

9 **IT IS THEREFORE ORDERED** that Defendants and their officers,
 10 agents, servants, employees, and attorneys, and those persons or entities in active
 11 concert or participation with any of them who receive actual notice of this Order
 12 by personal service, facsimile transmission, email, or otherwise, whether acting
 13 directly or through any corporation, subsidiary, division, or other device, in
 14 connection with providing, offering to provide, or arranging for others to provide
 15 any mortgage assistance relief service, are hereby preliminarily restrained and
 16 enjoined from requesting or receiving payment of any fee or other consideration
 17 before the consumer has executed a written agreement between the consumer and
 18 the consumer's dwelling loan holder or servicer incorporating the offer of
 19 mortgage assistance relief that a Defendant obtained from the consumer's dwelling
 20 loan holder or servicer on the consumer's behalf, in violation of Section 1015.5(a)
 21 of Regulation O, 12 C.F.R. § 1015.5(a).

22 **II.**

23 **REPRESENTATIONS PROHIBITED BY SECTION 5 OF THE FTC ACT**

24 **IT IS FURTHER ORDERED** that Defendants and their officers, agents,
 25 servants, employees, and attorneys, and those persons or entities in active concert
 26 or participation with any of them who receive actual notice of this Order by
 27 personal service, facsimile transmission, email, or otherwise, whether acting
 28 directly or through any corporation, subsidiary, division, or other device, in

1 connection with the advertising, marketing, promotion, offering for sale, or sale of
 2 any mortgage assistance relief service, are hereby preliminarily restrained and
 3 enjoined from engaging in, or assisting others in engaging in, the following
 4 conduct:

- 5 A. Misrepresenting, directly or indirectly, expressly or by implication,
 6 that Defendants typically will obtain mortgage loan modifications for
 7 consumers that will make consumers' payments substantially more
 8 affordable, substantially lower their interest rates, or help them avoid
 9 foreclosure;
- 10 B. Misrepresenting, directly or indirectly, expressly or by implication,
 11 that Defendants will provide legal services, including forensic audits;
 12 and
- 13 C. Misrepresenting, directly or indirectly, expressly or by implication,
 14 that Defendants will refund the consumer's fee if Defendants fail to
 15 obtain the promised mortgage loan modification.

16 III.

17 REPRESENTATIONS PROHIBITED AND DISCLOSURES REQUIRED 18 BY REGULATION O

19 **IT IS FURTHER ORDERED** that Defendants and their officers, agents,
 20 servants, employees, and attorneys, and those persons or entities in active concert
 21 or participation with any of them who receive actual notice of this Order by
 22 personal service, facsimile transmission, email, or otherwise, whether acting
 23 directly or through any corporation, subsidiary, division, or other device, in
 24 connection with providing, offering to provide, or arranging for others to provide
 25 any mortgage assistance relief service, are hereby preliminarily restrained and
 26 enjoined from engaging in the following conduct:

- 27 A. Representing, expressly or by implication, in connection with the
 28 advertising, marketing, promotion, offering for sale, sale, or

1 performance of any mortgage assistance relief service, that a
2 consumer cannot or should not contact or communicate with his or her
3 lender or servicer, in violation of Section 1015.3(a) of Regulation O,
4 12 C.F.R. § 1015.3(a);

5 B. Misrepresenting, expressly or by implication, any material aspect of
6 any mortgage assistance relief service, including, but not limited to:

- 7 1. The likelihood of negotiating, obtaining, or arranging any
8 represented service or result, including, but not limited to, the
9 likelihood of negotiating, obtaining, or arranging a modification
10 of any term of a dwelling loan, including a reduction in the
11 amount of interest, principal balance, monthly payments, or
12 fees, in violation of Section § 1015.3(b)(1) of Regulation O,
13 12 C.F.R. § 1015.3(b)(1);
- 14 2. The amount of time it will take the mortgage assistance relief
15 service provider to accomplish any represented service or
16 result, in violation of Section 1015.3(b)(2) of Regulation O,
17 12 C.F.R. § 1015.3(b)(2);
- 18 3. That a mortgage assistance relief service is affiliated with,
19 endorsed or approved by, or otherwise associated with the
20 government or the maker, holder, or servicer of the consumer's
21 dwelling loan, in violation of Section 1015.3(b)(3) of
22 Regulation O, 12 C.F.R. § 1015.3(b)(3);
- 23 4. The terms or conditions of any refund, cancellation, exchange,
24 or repurchase policy for a mortgage assistance relief service,
25 including, but not limited to, the likelihood of obtaining a full
26 or partial refund, or the circumstances in which a full or partial
27 refund will be granted, for a mortgage assistance relief service,
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1 in violation of Section 1015.3(b)(6) of Regulation O, 12 C.F.R.
 2 § 1015.3(b)(6); or

3 5. That the consumer will receive legal representation, in violation
 4 of Section 1015.3(b)(8) of Regulation O, 12 C.F.R.
 5 § 1015.3(b)(8);

6 C. Failing to disclose the following information in all general
 7 commercial communications and all consumer-specific commercial
 8 communications:

9 1. “[Name of Company] is not associated with the government,
 10 and our service is not approved by the government or your
 11 lender,” in violation of Section 1015.4(a)(1) and (b)(2) of
 12 Regulation O, 12 C.F.R. § 1015.4(a)(1) and (b)(2); and

13 2. In cases where the mortgage assistance relief service provider
 14 has represented, expressly or by implication, that consumers
 15 will receive any service or result set forth in paragraphs (2)
 16 through (6) of the definition of “Mortgage Assistance Relief
 17 Service,” Section 1015.2 of Regulation O, 12 C.F.R. § 1015.2,
 18 “Even if you accept this offer and use our service, your lender
 19 may not agree to change your loan,” in violation of Section
 20 1015.4(a)(2) and (b)(3) of Regulation O, 12 C.F.R.
 21 § 1015.4(a)(2) and (b)(3).

22 D. Failing to disclose the following information in all consumer-specific
 23 commercial communications: “You may stop doing business with us
 24 at any time. You may accept or reject the offer of mortgage assistance
 25 we obtain from your lender [or servicer]. If you reject the offer, you
 26 do not have to pay us. If you accept the offer, you will have to pay us
 27 [insert amount or method for calculating the amount] for our
 28 services,” in violation of Section 1015.4(b)(1) of Regulation O,

1 12 C.F.R. § 1015.4(b)(1). For the purposes of this section, the amount
 2 “you will have to pay” shall consist of the total amount the consumer
 3 must pay to purchase, receive, and use all of the mortgage assistance
 4 relief services that are the subject of the sales offer, including but not
 5 limited to, all fees and charges.

6 **IV.**

7 **PRESERVATION OF RECORDS AND TANGIBLE THINGS**

8 **IT IS FURTHER ORDERED** that Defendants and their officers, agents,
 9 servants, employees, and attorneys, and those persons or entities in active concert
 10 or participation with any of them who receive actual notice of this Order by
 11 personal service, facsimile transmission, email, or otherwise, whether acting
 12 directly or through any corporation, subsidiary, division, or other device, are
 13 hereby preliminarily enjoined from destroying, erasing, mutilating, concealing,
 14 altering, transferring, or otherwise disposing of, in any manner, directly or
 15 indirectly, any documents or records that relate to the business practices, or
 16 business or personal finances, of Defendants, or other entity directly or indirectly
 17 under the control of Defendants.

18 **V.**

19 **DISABLEMENT OF WEBSITES**

20 **IT IS FURTHER ORDERED** that immediately upon service of the Order
 21 upon them and pending determination of the FTC’s request for a preliminary
 22 injunction, (1) any person hosting any Internet website for, or on behalf of, any
 23 Defendant, and (2) Defendants and their officers, agents, servants, employees, and
 24 attorneys, and those persons or entities in active concert or participation with any
 25 of them who receive actual notice of this Order by personal service, facsimile
 26 transmission, email, or otherwise, whether acting directly or through any
 27 corporation, subsidiary, division, or other device, shall:
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A. Immediately do whatever is necessary to ensure that any Internet website used by Defendants for the advertising, marketing, promotion, offering for sale, or sale of any mortgage assistance relief service, including, but not limited to family1sthps.com; legaleducatorsco.org; legaleducatorsusa.org; thelegaleducators.com; smassociates.org; pfadvocates.com; and pfaudits.com, and containing statements or representations prohibited by Sections I, II, and III of this Order, cannot be accessed by the public;

B. Prevent the destruction or erasure of any Internet website used by Defendants for the advertising, marketing, promotion, offering for sale, or sale of any mortgage assistance relief service, by preserving such website in the format in which it is maintained currently; and

C. Immediately notify in writing counsel for the FTC of any other Internet website operated or controlled by any Defendant not listed in Subsection V.A above.

VI.

SUSPENSION OF INTERNET DOMAIN NAME REGISTRATIONS

IT IS FURTHER ORDERED that, pending determination of the FTC's request for a preliminary injunction, any domain name registrar shall suspend the registration of any Internet website used by Defendants for the advertising, marketing, promotion, offering for sale, or sale of any mortgage assistance relief service, and containing statements or representations prohibited by Sections I, II, and III of this Order, including, but not limited to, family1sthps.com; legaleducatorsco.org; legaleducatorsusa.org; thelegaleducators.com; smassociates.org; pfadvocates.com; and pfaudits.com, and provide immediate notice to counsel for the FTC of any other Internet domain names registered or controlled by any Defendants.

VII.

ASSET FREEZE

IT IS FURTHER ORDERED that the Corporate Defendant, and its officers, agents, servants, employees, and attorneys, and all persons or entities directly or indirectly under the control of any of them, including any financial institution, and all other persons or entities in active concert or participation with any of them who receive actual notice of this Order by personal service, facsimile transmission, email, or otherwise, are hereby preliminarily restrained and enjoined from directly or indirectly:

- A. Selling, liquidating, assigning, transferring, converting, loaning, hypothecating, disbursing, gifting, conveying, encumbering, pledging, concealing, dissipating, spending, withdrawing, or otherwise disposing of any funds, real or personal property, or other assets or any interest therein, wherever located, including any assets outside the territorial United States, that are:
1. in the actual or constructive possession of the Corporate Defendant; or
 2. owned or controlled by, or held, in whole or in part for the benefit of, or subject to access by, or belonging to, the Corporate Defendant; or in the actual or constructive possession of, or owned or controlled by, or subject to access by, or belong to, any corporation, partnership, trust, or other entity directly or indirectly owned, managed, or under the control of the Corporate Defendant;
- B. Opening, or causing to be opened, any safe deposit boxes titled in the name of the Corporate Defendant, or subject to access by the Corporate Defendant;

- 1 C. Incurring charges on any credit card, stored value card, debit card, or
2 charge card issued in the name, singly or jointly, of the Corporate
3 Defendant or any other entity directly or indirectly owned, managed,
4 or controlled by the Corporate Defendant;
- 5 D. Obtaining a personal or secured loan for or on behalf of the Corporate
6 Defendant; or
- 7 E. Cashing any checks from consumers, clients, or customers of the
8 Corporate Defendant; and
- 9 F. The funds, property, and assets affected by this Section shall include:
10 (a) all assets of the Corporate Defendant as of the time this Order is
11 entered, including, without limitation, accounts held by Wealth
12 Educators, Inc., also d/b/a Family 1st Preservations; Family 1st Home
13 Loans; Legal Affiliates & Associates; Legal Educators & Co.; Family
14 1st Home Preservation; Legal Educators USA & Co.; Stargate Mutual
15 & Associates; Providence Financial Advocates; and Providence
16 Financial Audits; to the extent it may hold corporate accounts on
17 which Veronica Sesma is a signatory, and (b) those corporate assets
18 obtained or received after entry of this Order that are derived from the
19 actions alleged in Plaintiff's Complaint. This Section does not
20 prohibit the Repatriation of Foreign Assets, as specifically required in
21 Section XI of this Order.
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VIII.

RETENTION OF ASSETS AND DOCUMENTS BY THIRD PARTIES

IT IS FURTHER ORDERED that, pending determination of the FTC's request for a preliminary injunction, any financial or brokerage institution, business entity, electronic data host, or person served with a copy of this Order that holds, controls, or maintains custody of any account, document, electronically stored information, or asset of, on behalf of, in the name of, for the benefit of, subject to withdrawal by, subject to access or use by, or under the signatory power of any Defendant or other party subject to Section VII above, or has held, controlled, or maintained any such account, document, electronically stored information, or asset at any time since January 1, 2012, shall:

- A. Hold, preserve, and retain within such entity's or person's control, and prohibit the withdrawal, removal, alteration, assignment, transfer, pledge, hypothecation, encumbrance, disbursement, dissipation, conversion, sale, liquidation, or other disposal of such account, document, electronically stored information, or asset held by or under such entity's or person's control, except as directed by further order of the Court or as directed in writing by the Plaintiff regarding accounts, documents, or assets held in the name of or benefit of any Defendant;
- B. Deny access to any safe deposit boxes that are either titled in the name, individually or jointly, or subject to access by, any Defendant or other party subject to Section VII above;
- C. Provide to counsel for the FTC, within one (1) business day, a sworn statement setting forth:
 - 1. the identification of each account or asset titled in the name, individually or jointly, or held on behalf of or for the benefit of, subject to withdrawal by, subject to access or use by, or under

1 the signatory power of any Defendant or other party subject to
2 Section VII above, whether in whole or in part;

3 2. the balance of each such account, or a description of the nature
4 and value of such asset, as of the close of business on the day
5 on which this Order is served;

6 3. the identification of any safe deposit box that is either titled in
7 the name of, individually or jointly, or is otherwise subject to
8 access or control by, any Defendant or other party subject to
9 Section VII above, whether in whole or in part; and

10 4. if the account, safe deposit box, or other asset has been closed
11 or removed, the date closed or removed, the balance on said
12 date, and the name or the person or entity to whom such
13 account or other asset was remitted;

14 D. Provide to counsel for the FTC within three (3) business days after
15 being served with a request, copies of all documents pertaining to
16 such account or asset, including, but not limited to, originals or copies
17 of account applications, account statements, signature cards, checks,
18 drafts, deposit tickets, transfers to and from the accounts, all other
19 debit and credit instruments or slips, currency transaction reports,
20 1099 forms, and safe deposit box logs; provided that such institution
21 or custodian may charge a reasonable fee; and

22 E. Cooperate with all reasonable requests of the Plaintiff relating to this
23 Order's implementation;

24 F. The accounts subject to this provision include: (a) all assets of each
25 Defendant deposited as of the time this Order is entered, and (b) those
26 assets deposited after entry of this Order that are derived from the
27 actions alleged in Plaintiff's Complaint. This Section does not
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1 prohibit the Repatriation of Foreign Assets, as specifically required in
2 Section XI of this Order; and

- 3 G. The FTC is granted leave, pursuant to Fed. R. Civ. P. 45, to subpoena
4 documents immediately from any financial or brokerage institution,
5 business entity, electronic data host, or person served with a copy of
6 this Order that holds, controls, or maintains custody of any account,
7 document, electronically stored information, or asset of, on behalf of,
8 in the name of, for the benefit of, subject to withdrawal by, subject to
9 access or use by, or under the signatory power of any Defendant or
10 other party subject to Section VII above, or has held, controlled, or
11 maintained any such account, document, electronically stored
12 information, or asset at any time since January 1, 2012, and such
13 financial or brokerage institution, business entity, electronic data host,
14 or person shall respond to such subpoena within three (3) business
15 days after service.

16 IX.

17 FINANCIAL STATEMENTS AND ACCOUNTING

18 **IT IS FURTHER ORDERED** that each Defendant, within three (3)
19 business days of service of this Order, shall prepare and deliver to counsel for the
20 FTC:

- 21 A. For the Individual Defendant, a completed financial statement
22 accurate as of the date of service of this Order upon such Defendant
23 on the form of Attachment A to this Order captioned "Financial
24 Statement of Individual Defendant";
- 25 B. For the Corporate Defendant, a completed financial statement
26 accurate as of the date of service of this Order upon such Defendant
27 (unless otherwise agreed upon with FTC counsel) in the form of
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Attachment B to this Order captioned “Financial Statement of Corporate Defendant”; and

- C. For all Defendants, a list of all officers and directors of the Corporate Defendant and all other individuals or entities with authority to direct the operations of the Corporate Defendant or withdraw money from the account of the Corporate Defendant.

X.

CONSUMER CREDIT REPORTS

IT IS FURTHER ORDERED that pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C. § 1681b(1), any consumer reporting agency may furnish to the FTC a consumer report concerning any Defendant.

XI.

REPATRIATION OF FOREIGN ASSETS

IT IS FURTHER ORDERED that, within five (5) business days following the service of this Order, each Defendant shall:

- a. Provide counsel for the FTC with a full accounting of all assets, accounts, funds, and documents outside of the territory of the United States that are held either: (1) by Defendants; (2) for their benefit; (3) in trust by or for them, individually or jointly; or (4) under their direct or indirect control, individually or jointly
- b. Provide counsel for the FTC with a full accounting of all assets, accounts, funds, and documents outside of the territory of the United States that are held either: (1) by Defendants; (2) for their benefit; (3) in trust by or for them, individually or jointly; or (4) under their direct or indirect control, individually or jointly;

- c. Transfer to the territory of the United States all assets, accounts, funds, and documents in foreign countries held either: (1) by Defendants; (2) for their benefit; (3) in trust by or for them, individually or jointly; or (4) under their direct or indirect control, individually or jointly; and
- d. Provide the FTC access to all records of accounts or assets of the Corporate Defendant and Individual Defendant held by financial institutions located outside the territorial United States by signing the Consent to Release of Financial Records attached to this Order as Attachment C.
- e. All repatriated assets, accounts, funds, and documents are subject to Section VII of this Order.

XII.

NONINTERFERENCE WITH REPATRIATION

IT IS FURTHER ORDERED that Defendants are hereby preliminarily restrained and enjoined from taking any action, directly or indirectly, that may result in the encumbrance or dissipation of foreign assets, or in the hindrance of the repatriation required by the preceding Section XI of this Order, including, but not limited to:

- A. Sending any statement, letter, fax, email, or wire transmission, or telephoning or engaging in any other act, directly or indirectly, that results in a determination by a foreign trustee or other entity that a “duress” event has occurred under the terms of a foreign trust agreement until such time that all assets have been fully repatriated pursuant to Section XI of this Order; or
- B. Notifying any trustee, protector, or other agent of any foreign trust or other related entities of either the existence of this Order, or of the fact that repatriation is required pursuant to a court order, until such time

1 that all assets have been fully repatriated pursuant to Section XI of
2 this Order.

3 **XIII.**

4 **PROHIBITION ON RELEASE OF CONSUMER INFORMATION**

5 **IT IS FURTHER ORDERED** that, except as required by a law
6 enforcement agency, law, regulation, or court order, Defendants, and their officers,
7 agents, servants, employees, and attorneys, and all other persons in active concert
8 or participation with any of them who receive actual notice of this Order by
9 personal service, facsimile transmission, email, or otherwise, are preliminarily
10 restrained and enjoined from disclosing, using, or benefitting from consumer
11 information, including the name, address, telephone number, email address, social
12 security number, other identifying information, or any data that enables access to a
13 consumer's account (including a credit card, bank account, or other financial
14 account), of any person which any Defendant obtained prior to entry of this Order
15 in connection with any mortgage assistance relief service.

16 **XIV.**

17 **STAY OF ACTIONS**

18 **IT IS FURTHER ORDERED** that:

19 A. Except by leave of this Court, during pendency of the asset freeze
20 ordered herein, Defendants and all other persons and entities be and
21 hereby are stayed from taking any action to establish or enforce any
22 claim, right, or interest for, against, on behalf of, in, or in the name of,
23 the Corporate Defendant, or any of its subsidiaries, affiliates,
24 partnerships, or assets including, but not limited to, the following
25 actions:

- 26 1. Commencing, prosecuting, continuing, entering, or enforcing
27 any suit or proceeding, except that such actions may be filed to
28 toll any applicable statute of limitations;

2. Accelerating the due date of any obligation or claimed obligation; filing or enforcing any lien; taking or attempting to take possession, custody, or control of any asset; attempting to foreclose, forfeit, alter, or terminate any interest in any asset, whether such acts are part of a judicial proceeding, are acts of self-help, or otherwise; or
3. Executing, issuing, serving, or causing the execution, issuance or service of, any legal process, including, but not limited to, attachments, garnishments, subpoenas, writs of replevin, writs of execution, or any other form of process whether specified in this Order or not.

B. This Section does not stay:

1. The commencement or continuation of a criminal action or proceeding;
2. The commencement or continuation of an action or proceeding by the State Bar of California to enforce its police or regulatory power;
3. The commencement or continuation of an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power;
4. The enforcement of a judgment, other than a money judgment, obtained in an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power; or
5. The issuance to a Defendant of a notice of tax deficiency.

XV.

MONITORING

IT IS FURTHER ORDERED that agents or representatives of the FTC may contact Defendants directly or anonymously for the purpose of monitoring

1 compliance with this Order, and may tape-record any oral communications that
2 occur in the course of such contacts.

3 **XVI.**

4 **DEFENDANTS' DUTY TO DISTRIBUTE ORDER**

5 **IT IS FURTHER ORDERED** that Defendants shall immediately provide a
6 copy of this Order to each affiliate, subsidiary, division, sales entity, successor,
7 assign, officer, director, employee, independent contractor, client company,
8 electronic data host, agent, attorney, spouse, and representative of Defendants and
9 shall, within three (3) calendar days from the date of entry of this Order, provide
10 counsel for the FTC with a sworn statement that: (a) confirms that Defendants
11 have provided copies of the Order as required by this Section, and (b) lists the
12 names and addresses of each entity or person to whom Defendants provided a copy
13 of the Order. Furthermore, Defendants shall not take any action that would
14 encourage officers, agents, directors, employees, salespersons, independent
15 contractors, attorneys, subsidiaries, affiliates, successors, assigns, or other persons
16 or entities in active concert or participation with Defendants to disregard this Order
17 or believe that they are not bound by its provisions.

18 **XVII.**

19 **CORRESPONDENCE WITH PLAINTIFF**

20 **IT IS FURTHER ORDERED** that, for the purposes of this Order, because
21 mail addressed to the FTC is subject to delay due to heightened security screening,
22 all correspondence and service of pleadings on Plaintiff shall be sent either via
23 electronic submission or via Federal Express to:

24 Eleanor Durham
25 Federal Trade Commission
26 915 Second Ave., Suite 2896
27 Seattle, WA 98174
28 edurham@ftc.gov

with a copy to:

Barbara Chun

1 Federal Trade Commission
2 10877 Wilshire Blvd., Suite 700
3 Los Angeles, CA 90024
4 bchun@ftc.gov

5 **XVIII.**

6 **SERVICE OF THIS ORDER**

7 **IT IS FURTHER ORDERED** that copies of this Order may be served by
8 facsimile transmission, email, personal or overnight delivery, or U.S. Mail, by
9 agents and employees of the FTC or any state or federal law enforcement agency
10 or by private process server, upon any financial institution or other entity or person
11 that may have possession, custody, or control of any documents or assets of any
12 Defendant, or that may otherwise be subject to any provision of this Order.
13 Service upon any branch or office of any financial institution shall effect service
14 upon the entire financial institution.

15 **XIX.**

16 **RETENTION OF JURISDICTION**

17 **IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of
18 this matter for all purposes of construction, modification, and enforcement of this
19 Order.

20 **IT IS SO ORDERED**, this 29th day of April, 2015, at 9:00 a.m. (Pacific
21 time).

22 

23 _____
24 UNITED STATES DISTRICT JUDGE
25
26
27
28

FEDERAL TRADE COMMISSION

FINANCIAL STATEMENT OF INDIVIDUAL DEFENDANT

Instructions:

1. Complete all items. Enter “None” or “N/A” (“Not Applicable”) where appropriate. If you cannot fully answer a question, explain why.
2. “Dependents” include your live-in companion, dependent children, or any other person, whom you or your spouse (or your children’s other parent) claimed or could have claimed as a dependent for tax purposes at any time during the past five years.
3. “Assets” and “Liabilities” include ALL assets and liabilities, located within the United States or elsewhere, whether held individually or jointly.
4. Attach continuation pages as needed. On the financial statement, state next to the Item number that the Item is being continued. On the continuation page(s), identify the Item number(s) being continued.
5. Type or print legibly.
6. Initial each page in the space provided in the lower right corner.
7. Sign and date the completed financial statement on the last page.

Penalty for False Information:

Federal law provides that any person may be imprisoned for not more than five years, fined, or both, if such person:

- (1) “in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry” (18 U.S.C. § 1001);
- (2) “in any . . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code, willfully subscribes as true any material matter which he does not believe to be true” (18 U.S.C. § 1621); or
- (3) “in any (. . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code) in any proceeding before or ancillary to any court or grand jury of the United States knowingly makes any false material declaration or makes or uses any other information . . . knowing the same to contain any false material declaration” (18 U.S.C. § 1623).

For a felony conviction under the provisions cited above, federal law provides that the fine may be not more than the greater of (i) \$250,000 for an individual or \$500,000 for a corporation, or (ii) if the felony results in pecuniary gain to any person or pecuniary loss to any person other than the defendant, the greater of twice the gross gain or twice the gross loss. 18 U.S.C. § 3571.

BACKGROUND INFORMATION

Item 1. Information About You

Your Full Name _____ Social Security No. _____

Place of Birth _____ Date of Birth _____ Drivers License No. _____

Current Address _____ From (Date) _____

Rent or Own? _____ Telephone No. _____ Facsimile No. _____

E-Mail Address _____ Internet Home Page _____

Previous Addresses for past five years:

Address _____ Rent or Own? _____ From/Until _____

Address _____ Rent or Own? _____ From/Until _____

Identify any other name(s) and/or social security number(s) you have used, and the time period(s) during which they were used _____

Item 2. Information About Your Spouse or Live-In Companion

Spouse/Companion's Name _____ Social Security No. _____

Place of Birth _____ Date of Birth _____

Identify any other name(s) and/or social security number(s) your spouse/companion has used, and the time period(s) during which they were used _____

Address (if different from yours) _____

From (Date) _____ Rent or Own? _____ Telephone No. _____

Employer's Name and Address _____

Job Title _____ Years in Present Job _____ Annual Gross Salary/Wages \$ _____

Item 3. Information About Your Previous Spouse

Previous Spouse's Name & Address _____

_____ Social Security No. _____ Date of Birth _____

Item 4. Contact Information

Name & Address of Nearest Living Relative or Friend _____

Telephone No. _____**Item 5. Information About Dependents Who Live With You**

<Name _____ Date of Birth _____

Relationship _____ Social Security No. _____

<Name _____ Date of Birth _____

Relationship _____ Social Security No. _____

<Name _____ Date of Birth _____

Relationship _____ Social Security No. _____

Item 6. Information About Dependents Who Do Not Live With You

<Name & Address _____

Date of Birth _____ Relationship _____ Social Security No. _____

<Name Address _____

Date of Birth _____ Relationship _____ Social Security No. _____

<Name & Address _____

Date of Birth _____ Relationship _____ Social Security No. _____

Item 7. Employment Information

Provide the following information for this year-to-date and for each of the previous five full years, for each company of which you were a director, officer, employee, agent, contractor, participant or consultant at any time during that period. "Income" includes, but is not limited to, any salary, commissions, draws, consulting fees, loans, loan payments, dividends, royalties or other benefits for which you did not pay (e.g., health insurance premiums, automobile lease or loan payments) received by you or anyone else on your behalf.

<Company Name & Address _____

Dates Employed: From (Month/Year) _____ To (Month/Year) _____

Positions Held with Beginning and Ending Dates _____

Item 7. continued

Income Received: This year-to-date: \$ _____ : \$ _____
 20____ : \$ _____ : \$ _____
 _____ : \$ _____ : \$ _____

<Company Name & Address _____

Dates Employed: From (Month/Year) _____ To (Month/Year) _____

Positions Held with Beginning and Ending Dates _____

Income Received: This year-to-date: \$ _____ : \$ _____
 20____ : \$ _____ : \$ _____
 _____ : \$ _____ : \$ _____

<Company Name & Address _____

Dates Employed: From (Month/Year) _____ To (Month/Year) _____

Positions Held with Beginning and Ending Dates _____

Income Received: This year-to-date: \$ _____ : \$ _____
 20____ : \$ _____ : \$ _____
 _____ : \$ _____ : \$ _____

Item 8. Pending Lawsuits Filed by You or Your Spouse

List all pending lawsuits that have been filed by you or your spouse in court or before an administrative agency. (List lawsuits that resulted in final judgments or settlements in Items 16 and 25).

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Item 9. Pending Lawsuits Filed Against You or Your Spouse

List all pending lawsuits that have been filed against you or your spouse in court or before an administrative agency. (List

lawsuits that resulted in final judgments or settlements in Items 16 and 25).

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Item 10. Safe Deposit Boxes

List all safe deposit boxes, located within the United States or elsewhere, held by you, your spouse, or any of your dependents, or held by others for the benefit of you, your spouse, or any of your dependents. *On a separate page, describe the contents of each box.*

<u>Owner's Name</u>	<u>Name & Address of Depository Institution</u>	<u>Box No.</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Item 11. Business Interests

List all businesses for which you, your spouse, or your dependents are an officer or director.

<Business' Name & Address _____

Business Format (e.g., corporation) _____ Description of Business _____

_____ Position(s) Held, and By Whom _____

<Business' Name & Address _____

Business Format (e.g., corporation) _____ Description of Business _____

_____ Position(s) Held, and By Whom _____

<Business' Name & Address _____

Business Format (e.g., corporation) _____ Description of Business _____

_____ Position(s) Held, and By Whom _____

FINANCIAL INFORMATION: ASSETS AND LIABILITIES

REMINDER: “Assets” and “Liabilities” include ALL assets and liabilities, located within the United States or elsewhere, whether held individually or jointly.

Item 12. Cash, Bank, and Money Market Accounts

List cash and all bank and money market accounts, including but not limited to, checking accounts, savings accounts, and certificates of deposit, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents. The term “cash” includes currency and uncashed checks.

Cash on Hand \$ _____ Cash Held For Your Benefit \$ _____

<u>Name on Account</u>	<u>Name & Address of Financial Institution</u>	<u>Account No.</u>	<u>Current Balance</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

Item 13. U.S. Government Securities

List all U.S. Government securities, including but not limited to, savings bonds, treasury bills, and treasury notes, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

<u>Name on Account</u>	<u>Type of Obligation</u>	<u>Security Amount</u>	<u>Maturity Date</u>
_____	_____	\$ _____	_____
_____	_____	\$ _____	_____
_____	_____	\$ _____	_____

Item 14. Publicly Traded Securities and Loans Secured by Them

List all publicly traded securities, including but not limited to, stocks, stock options, registered and bearer bonds, state and municipal bonds, and mutual funds, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

<Issuer _____ Type of Security _____ No. of Units Owned _____

Name on Security _____ Current Fair Market Value \$ _____ Loan(s) Against Security \$ _____

Broker House, Address _____ Broker Account No. _____

<Issuer _____ Type of Security _____ No. of Units Owned _____

Name on Security _____ Current Fair Market Value \$ _____ Loan(s) Against Security \$ _____

Broker House, Address _____ Broker Account No. _____

Item 15. Other Business Interests

List all other business interests, including but not limited to, non-public corporations, subchapter-S corporations, limited liability corporations ("LLCs"), general or limited partnership interests, joint ventures, sole proprietorships, and oil and mineral leases, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

<Business Format _____ Business' Name & Address _____

_____ Ownership % _____

Owner (e.g., self, spouse) _____ Current Fair Market Value \$ _____

<Business Format _____ Business' Name & Address _____

_____ Ownership % _____

Owner (e.g., self, spouse) _____ Current Fair Market Value \$ _____

Item 16. Monetary Judgments or Settlements Owed to You, Your Spouse, or Your Dependents

List all monetary judgments or settlements owed to you, your spouse, or your dependents.

<Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

<Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Item 17. Other Amounts Owed to You, Your Spouse, or Your Dependents

List all other amounts owed to you, your spouse, or your dependents.

Debtor's Name, Address, & Telephone No. _____

Original Amount Owed \$ _____ Current Amount Owed \$ _____ Monthly Payment \$ _____

Item 18. Life Insurance Policies

List all life insurance policies held by you, your spouse, or your dependents.

<Insurance Company's Name, Address, & Telephone No. _____

Insured _____ Beneficiary _____ Face Value \$ _____

Policy No. _____ Loans Against Policy \$ _____ Surrender Value \$ _____

<Insurance Company's Name, Address, & Telephone No. _____

Insured _____ Beneficiary _____ Face Value \$ _____

Policy No. _____ Loans Against Policy \$ _____ Surrender Value \$ _____

Item 19. Deferred Income Arrangements

List all deferred income arrangements, including but not limited to, deferred annuities, pensions plans, profit-sharing plans, 401(k) plans, IRAs, Keoghs, and other retirement accounts, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

<Name on Account _____ Type of Plan _____ Date Established _____

Trustee or Administrator's Name, Address & Telephone No. _____

Account No. _____ Surrender Value \$ _____

<Name on Account _____ Type of Plan _____ Date Established _____

Trustee or Administrator's Name, Address & Telephone No. _____

Account No. _____ Surrender Value \$ _____

Item 20. Personal Property

List all personal property, by category, whether held for personal use or for investment, including but not limited to,

furniture and household goods of value, computer equipment, electronics, coins, stamps, artwork, gemstones, jewelry, bullion, other collectibles, copyrights, patents, and other intellectual property, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

<u>Property Category</u> (e.g., artwork, jewelry)	<u>Name of Owner</u>	<u>Property Location</u>	<u>Acquisition Cost</u>	<u>Current Value</u>
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____

Item 21. Cars, Trucks, Motorcycles, Boats, Airplanes, and Other Vehicles

List all cars, trucks, motorcycles, boats, airplanes, and other vehicles owned or operated by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

<Vehicle Type _____ Make _____ Model _____ Year _____

Registered Owner's Name _____ Registration State & No. _____

Address of Vehicle's Location _____

Purchase Price \$ _____ Current Value \$ _____ Account/Loan No. _____

Lender's Name and Address _____

Original Loan Amount \$ _____ Current Loan Balance \$ _____ Monthly Payment \$ _____

<Vehicle Type _____ Make _____ Model _____ Year _____

Registered Owner's Name _____ Registration State & No. _____

Address of Vehicle's Location _____

Purchase Price \$ _____ Current Value \$ _____ Account/Loan No. _____

Lender's Name and Address _____

Original Loan Amount \$ _____ Current Loan Balance \$ _____ Monthly Payment \$ _____

Item 21. Continued

<Vehicle Type _____ Make _____ Model _____ Year _____

Registered Owner's Name _____ Registration State & No. _____

Address of Vehicle's Location _____

Purchase Price \$ _____ Current Value \$ _____ Account/Loan No. _____

Lender's Name and Address _____

Original Loan Amount \$ _____ Current Loan Balance \$ _____ Monthly Payment \$ _____

Item 22. Real Property

List all real estate held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

<Type of Property _____ Property's Location _____

Name(s) on Title and Ownership Percentages _____

Acquisition Date _____ Purchase Price \$ _____ Current Value \$ _____

Basis of Valuation _____ Loan or Account No. _____

Lender's Name and Address _____

Current Balance On First Mortgage \$ _____ Monthly Payment \$ _____

Other Loan(s) (describe) _____ Current Balance \$ _____

Monthly Payment \$ _____ Rental Unit? _____ Monthly Rent Received \$ _____

<Type of Property _____ Property's Location _____

Name(s) on Title and Ownership Percentages _____

Acquisition Date _____ Purchase Price \$ _____ Current Value \$ _____

Basis of Valuation _____ Loan or Account No. _____

Lender's Name and Address _____

Current Balance On First Mortgage \$ _____ Monthly Payment \$ _____

Other Loan(s) (describe) _____ Current Balance \$ _____

Monthly Payment \$ _____ Rental Unit? _____ Monthly Rent Received \$ _____

Item 23. Credit Cards

List each credit card held by you, your spouse, or your dependents. Also list any other credit cards that you, your spouse, or your dependents use.

<u>Name of Credit Card (e.g., Visa, MasterCard, Department Store)</u>	<u>Account No.</u>	<u>Name(s) on Account</u>	<u>Current Balance</u>	<u>Minimum Monthly Payment</u>
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____

Item 24. Taxes Payable

List all taxes, such as income taxes or real estate taxes, owed by you, your spouse, or your dependants.

<u>Type of Tax</u>	<u>Amount Owed</u>	<u>Year Incurred</u>
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____

Item 25. Judgments or Settlements Owed

List all judgments or settlements owed by you, your spouse, or your dependents.

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date _____ Amount \$ _____

Item 26. Other Loans and Liabilities

List all other loans or liabilities in your, your spouse's, or your dependents' names.

<Name & Address of Lender/Creditor _____

Nature of Liability _____ Name(s) on Liability _____

Date of Liability _____ Amount Borrowed \$ _____ Current Balance \$ _____

Payment Amount \$ _____ Frequency of Payment _____

<Name & Address of Lender/Creditor _____

Nature of Liability _____ Name(s) on Liability _____

Date of Liability _____ Amount Borrowed \$ _____ Current Balance \$ _____

Payment Amount \$ _____ Frequency of Payment _____

OTHER FINANCIAL INFORMATION**Item 27. Tax Returns**

List all federal tax returns that were filed during the last three years by or on behalf of you, your spouse, or your dependents. *Provide a copy of each signed tax return that was filed during the last three years.*

<u>Tax Year</u>	<u>Name(s) on Return</u>	<u>Refund Expected</u>
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

Item 28. Applications for Credit

List all applications for bank loans or other extensions of credit that you, your spouse, or your dependents have submitted within the last two years. *Provide a copy of each application, including all attachments.*

<u>Name(s) on Application</u>	<u>Name & Address of Lender</u>
_____	_____
_____	_____
_____	_____

Item 29. Trusts and Escrows

List all funds or other assets that are being held in trust or escrow by any person or entity for you, your spouse, or your dependents. Also list all funds or other assets that are being held in trust or escrow by you, your spouse, or your dependents, for any person or entity. *Provide copies of all executed trust documents.*

<u>Trustee or Escrow Agent's Name & Address</u>	<u>Date Established</u>	<u>Grantor</u>	<u>Beneficiaries</u>	<u>Present Market Value of Assets</u>
_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	\$ _____

Item 30. Transfers of Assets

List each person to whom you have transferred, in the aggregate, more than \$2,500 in funds or other assets during the previous three years by loan, gift, sale, or other transfer. For each such person, state the total amount transferred during that period.

<u>Transferee's Name, Address, & Relationship</u>	<u>Property Transferred</u>	<u>Aggregate Value</u>	<u>Transfer Date</u>	<u>Type of Transfer (e.g., Loan, Gift)</u>
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____

SUMMARY FINANCIAL SCHEDULES**Item 31. Combined Balance Sheet for You, Your Spouse, and Your Dependents**

<u>ASSETS</u>		<u>LIABILITIES</u>	
Cash on Hand (Item 12)	\$ _____	Credit Cards (Item 23)	\$ _____
Cash in Financial Institutions (Item 12)	\$ _____	Motor Vehicles - Liens (Item 21)	\$ _____
U.S. Government Securities (Item 13)	\$ _____	Real Property - Encumbrances (Item 22)	\$ _____
Publicly Traded Securities (Item 14)	\$ _____	Loans Against Publicly Traded Securities (Item 14)	\$ _____
Other Business Interests (Item 15)	\$ _____	Taxes Payable (Item 24)	\$ _____
Judgments or Settlements Owed to You (Item 16)	\$ _____	Judgments or Settlements Owed (Item 25)	\$ _____
Other Amounts Owed to You (Item 17)	\$ _____	Other Loans and Liabilities (Item 26)	\$ _____
Surrender Value of Life Insurance (Item 18)	\$ _____	<u>Other Liabilities</u> (Itemize)	
Deferred Income Arrangements (Item 19)	\$ _____	_____	\$ _____
Personal Property (Item 20)	\$ _____	_____	\$ _____
Motor Vehicles (Item 21)	\$ _____	_____	\$ _____
Real Property (Item 22)	\$ _____	_____	\$ _____
<u>Other Assets</u> (Itemize)		_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
Total Assets	\$ <u> </u>	Total Liabilities	\$ <u> </u>

Item 32. Combined Average Monthly Income and Expenses for You, Your Spouse, and Your Dependents for the Last 6 Months

Provide the average monthly income and expenses for you, your spouse, and your dependents for the last 6 months. Do not include credit card payments separately; rather, include credit card expenditures in the appropriate categories.

<u>INCOME</u>		<u>EXPENSES</u>	
Salary - After Taxes	\$ _____	Mortgage Payments for Residence(s)	\$ _____
Fees, Commissions, and Royalties	\$ _____	Property Taxes for Residence(s)	\$ _____
Interest	\$ _____	Rental Property Expenses, Including Mortgage Payments, Taxes, and Insurance	\$ _____
Dividends and Capital Gains	\$ _____	Car or Other Vehicle Lease or Loan Payments	\$ _____
Gross Rental Income	\$ _____	Food Expenses	\$ _____
Profits from Sole Proprietorships	\$ _____	Clothing Expenses	\$ _____
Distributions from Partnerships, S-Corporations, and LLCs	\$ _____	Utilities	\$ _____
Distributions from Trusts and Estates	\$ _____	Medical Expenses, Including Insurance	\$ _____
Distributions from Deferred Income Arrangements	\$ _____	Other Insurance Premiums	\$ _____
Social Security Payments	\$ _____	Other Transportation Expenses	\$ _____
Alimony/Child Support Received	\$ _____	Other Household Expenses	\$ _____
Gambling Income	\$ _____	<u>Other Expenses</u> (Itemize)	
<u>Other Income</u> (Itemize)		_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
Total Income	\$ <u> </u>	Total Expenses	\$ <u> </u>

FEDERAL TRADE COMMISSION

FINANCIAL STATEMENT OF CORPORATE DEFENDANT

Instructions:

1. Complete all items. Enter "None" or "N/A" ("Not Applicable") where appropriate. If you cannot fully answer a question, explain why.
2. The font size within each field will adjust automatically as you type to accommodate longer responses.
3. In completing this financial statement, "the corporation" refers not only to this corporation but also to each of its predecessors that are not named defendants in this action.
4. When an Item asks for information about assets or liabilities "held by the corporation," include ALL such assets and liabilities, located within the United States or elsewhere, held by the corporation or held by others for the benefit of the corporation.
5. Attach continuation pages as needed. On the financial statement, state next to the Item number that the Item is being continued. On the continuation page(s), identify the Item number being continued.
6. Type or print legibly.
7. An officer of the corporation must sign and date the completed financial statement on the last page and initial each page in the space provided in the lower right corner.

Penalty for False Information:

Federal law provides that any person may be imprisoned for not more than five years, fined, or both, if such person:

- (1) "in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry" (18 U.S.C. § 1001);
- (2) "in any . . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code, willfully subscribes as true any material matter which he does not believe to be true" (18 U.S.C. § 1621); or
- (3) "in any (. . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code) in any proceeding before or ancillary to any court or grand jury of the United States knowingly makes any false material declaration or makes or uses any other information . . . knowing the same to contain any false material declaration." (18 U.S.C. § 1623)

For a felony conviction under the provisions cited above, federal law provides that the fine may be not more than the greater of (i) \$250,000 for an individual or \$500,000 for a corporation, or (ii) if the felony results in pecuniary gain to any person or pecuniary loss to any person other than the defendant, the greater of twice the gross gain or twice the gross loss. 18 U.S.C. § 3571.

BACKGROUND INFORMATION

Item 1. General Information

Corporation's Full Name _____

Primary Business Address _____ From (Date) _____

Telephone No. _____ Fax No. _____

E-Mail Address _____ Internet Home Page _____

All other current addresses & previous addresses for past five years, including post office boxes and mail drops:

Address _____ From/Until _____

Address _____ From/Until _____

Address _____ From/Until _____

All predecessor companies for past five years:

Name & Address _____ From/Until _____

Name & Address _____ From/Until _____

Name & Address _____ From/Until _____

Item 2. Legal Information

Federal Taxpayer ID No. _____ State & Date of Incorporation _____

State Tax ID No. _____ State _____ Profit or Not For Profit _____

Corporation's Present Status: Active _____ Inactive _____ Dissolved _____

If Dissolved: Date dissolved _____ By Whom _____

Reasons _____

Fiscal Year-End (Mo./Day) _____ Corporation's Business Activities _____

Item 3. Registered Agent

Name of Registered Agent _____

Address _____ Telephone No. _____

Item 4. Principal Stockholders

List all persons and entities that own at least 5% of the corporation's stock.

<u>Name & Address</u>	<u>% Owned</u>

Item 5. Board Members

List all members of the corporation's Board of Directors.

<u>Name & Address</u>	<u>% Owned</u>	<u>Term (From/Until)</u>

Item 6. Officers

List all of the corporation's officers, including *de facto* officers (individuals with significant management responsibility whose titles do not reflect the nature of their positions).

<u>Name & Address</u>	<u>% Owned</u>

Item 7. Businesses Related to the Corporation

List all corporations, partnerships, and other business entities in which this corporation has an ownership interest.

<u>Name & Address</u>	<u>Business Activities</u>	<u>% Owned</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

State which of these businesses, if any, has ever transacted business with the corporation _____

Item 8. Businesses Related to Individuals

List all corporations, partnerships, and other business entities in which the corporation's principal stockholders, board members, or officers (i.e., the individuals listed in Items 4 - 6 above) have an ownership interest.

<u>Individual's Name</u>	<u>Business Name & Address</u>	<u>Business Activities</u>	<u>% Owned</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

State which of these businesses, if any, have ever transacted business with the corporation _____

Item 9. Related Individuals

List all related individuals with whom the corporation has had any business transactions during the three previous fiscal years and current fiscal year-to-date. A "related individual" is a spouse, sibling, parent, or child of the principal stockholders, board members, and officers (i.e., the individuals listed in Items 4 - 6 above).

<u>Name and Address</u>	<u>Relationship</u>	<u>Business Activities</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Item 10. Outside Accountants

List all outside accountants retained by the corporation during the last three years.

<u>Name</u>	<u>Firm Name</u>	<u>Address</u>	<u>CPA/PA?</u>

Item 11. Corporation's Recordkeeping

List all individuals within the corporation with responsibility for keeping the corporation's financial books and records for the last three years.

<u>Name, Address, & Telephone Number</u>	<u>Position(s) Held</u>

Item 12. Attorneys

List all attorneys retained by the corporation during the last three years.

<u>Name</u>	<u>Firm Name</u>	<u>Address</u>

Item 13. Pending Lawsuits Filed by the Corporation

List all pending lawsuits that have been filed by the corporation in court or before an administrative agency. (List lawsuits that resulted in final judgments or settlements in favor of the corporation in Item 25).

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Item 14. Current Lawsuits Filed Against the Corporation

List all pending lawsuits that have been filed against the corporation in court or before an administrative agency. (List lawsuits that resulted in final judgments, settlements, or orders in Items 26 - 27).

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Item 15. Bankruptcy Information

List all state insolvency and federal bankruptcy proceedings involving the corporation.

Commencement Date _____ Termination Date _____ Docket No. _____

If State Court: Court & County _____ If Federal Court: District _____

Disposition _____

Item 16. Safe Deposit Boxes

List all safe deposit boxes, located within the United States or elsewhere, held by the corporation, or held by others for the benefit of the corporation. *On a separate page, describe the contents of each box.*

<u>Owner's Name</u>	<u>Name & Address of Depository Institution</u>	<u>Box No.</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

FINANCIAL INFORMATION

REMINDER: When an Item asks for information about assets or liabilities “held by the corporation,” include **ALL** such assets and liabilities, located within the United States or elsewhere, held by the corporation or held by others for the benefit of the corporation.

Item 17. Tax Returns

List all federal and state corporate tax returns filed for the last three complete fiscal years. *Attach copies of all returns.*

<u>Federal/ State/Both</u>	<u>Tax Year</u>	<u>Tax Due Federal</u>	<u>Tax Paid Federal</u>	<u>Tax Due State</u>	<u>Tax Paid State</u>	<u>Preparer's Name</u>
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____

Item 18. Financial Statements

List all financial statements that were prepared for the corporation's last three complete fiscal years and for the current fiscal year-to-date. *Attach copies of all statements, providing audited statements if available.*

<u>Year</u>	<u>Balance Sheet</u>	<u>Profit & Loss Statement</u>	<u>Cash Flow Statement</u>	<u>Changes in Owner's Equity</u>	<u>Audited?</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Item 19. Financial Summary

For each of the last three complete fiscal years and for the current fiscal year-to-date for which the corporation has not provided a profit and loss statement in accordance with Item 18 above, provide the following summary financial information.

	<u>Current Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>3 Years Ago</u>
<u>Gross Revenue</u>	\$_____	\$_____	\$_____	\$_____
<u>Expenses</u>	\$_____	\$_____	\$_____	\$_____
<u>Net Profit After Taxes</u>	\$_____	\$_____	\$_____	\$_____
<u>Payables</u>	\$_____			
<u>Receivables</u>	\$_____			

Item 20. Cash, Bank, and Money Market Accounts

List cash and all bank and money market accounts, including but not limited to, checking accounts, savings accounts, and certificates of deposit, held by the corporation. The term "cash" includes currency and uncashed checks.

Cash on Hand \$_____ Cash Held for the Corporation's Benefit \$_____

<u>Name & Address of Financial Institution</u>	<u>Signator(s) on Account</u>	<u>Account No.</u>	<u>Current Balance</u>
_____	_____	_____	\$_____
_____	_____	_____	\$_____
_____	_____	_____	\$_____
_____	_____	_____	\$_____

Item 21. Government Obligations and Publicly Traded Securities

List all U.S. Government obligations, including but not limited to, savings bonds, treasury bills, or treasury notes, held by the corporation. Also list all publicly traded securities, including but not limited to, stocks, stock options, registered and bearer bonds, state and municipal bonds, and mutual funds, held by the corporation.

Issuer _____ Type of Security/Obligation _____

No. of Units Owned _____ Current Fair Market Value \$ _____ Maturity Date _____

Issuer _____ Type of Security/Obligation _____

No. of Units Owned _____ Current Fair Market Value \$ _____ Maturity Date _____

Item 22. Real Estate

List all real estate, including leaseholds in excess of five years, held by the corporation.

Type of Property _____ Property's Location _____

Name(s) on Title and Ownership Percentages _____

Current Value \$ _____ Loan or Account No. _____

Lender's Name and Address _____

Current Balance On First Mortgage \$ _____ Monthly Payment \$ _____

Other Loan(s) (describe) _____ Current Balance \$ _____

Monthly Payment \$ _____ Rental Unit? _____ Monthly Rent Received \$ _____

Type of Property _____ Property's Location _____

Name(s) on Title and Ownership Percentages _____

Current Value \$ _____ Loan or Account No. _____

Lender's Name and Address _____

Current Balance On First Mortgage \$ _____ Monthly Payment \$ _____

Other Loan(s) (describe) _____ Current Balance \$ _____

Monthly Payment \$ _____ Rental Unit? _____ Monthly Rent Received \$ _____

Item 23. Other Assets

List all other property, by category, with an estimated value of \$2,500 or more, held by the corporation, including but not limited to, inventory, machinery, equipment, furniture, vehicles, customer lists, computer software, patents, and other intellectual property.

<u>Property Category</u>	<u>Property Location</u>	<u>Acquisition Cost</u>	<u>Current Value</u>
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____

Item 24. Trusts and Escrows

List all persons and other entities holding funds or other assets that are in escrow or in trust for the corporation.

<u>Trustee or Escrow Agent's Name & Address</u>	<u>Description and Location of Assets</u>	<u>Present Market Value of Assets</u>
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

Item 25. Monetary Judgments and Settlements Owed To the Corporation

List all monetary judgments and settlements, recorded and unrecorded, owed to the corporation.

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Item 26. Monetary Judgments and Settlements Owed By the Corporation

List all monetary judgments and settlements, recorded and unrecorded, owed by the corporation.

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Item 27. Government Orders and Settlements

List all existing orders and settlements between the corporation and any federal or state government entities.

Name of Agency _____ Contact Person _____

Address _____ Telephone No. _____

Agreement Date _____ Nature of Agreement _____

Item 28. Credit Cards

List all of the corporation's credit cards and store charge accounts and the individuals authorized to use them.

Name of Credit Card or Store

Names of Authorized Users and Positions Held

Item 29. Compensation of Employees

List all compensation and other benefits received from the corporation by the five most highly compensated employees, independent contractors, and consultants (other than those individuals listed in Items 5 and 6 above), for the two previous fiscal years and current fiscal year-to-date. "Compensation" includes, but is not limited to, salaries, commissions, consulting fees, bonuses, dividends, distributions, royalties, pensions, and profit sharing plans. "Other benefits" include, but are not limited to, loans, loan payments, rent, car payments, and insurance premiums, whether paid directly to the individuals, or paid to others on their behalf.

<u>Name/Position</u>	<u>Current Fiscal Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>Compensation or Type of Benefits</u>
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____

Item 30. Compensation of Board Members and Officers

List all compensation and other benefits received from the corporation by each person listed in Items 5 and 6, for the current fiscal year-to-date and the two previous fiscal years. "Compensation" includes, but is not limited to, salaries, commissions, consulting fees, dividends, distributions, royalties, pensions, and profit sharing plans. "Other benefits" include, but are not limited to, loans, loan payments, rent, car payments, and insurance premiums, whether paid directly to the individuals, or paid to others on their behalf.

<u>Name/Position</u>	<u>Current Fiscal Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>Compensation or Type of Benefits</u>
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____

Item 31. Transfers of Assets Including Cash and Property

List all transfers of assets over \$2,500 made by the corporation, other than in the ordinary course of business, during the previous three years, by loan, gift, sale, or other transfer.

<u>Transferee's Name, Address, & Relationship</u>	<u>Property Transferred</u>	<u>Aggregate Value</u>	<u>Transfer Date</u>	<u>Type of Transfer (e.g., Loan, Gift)</u>
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____

Item 32. Documents Attached to the Financial Statement

List all documents that are being submitted with the financial statement.

[illegible]

I am submitting this financial statement with the understanding that it may affect action by the Federal Trade Commission or a federal court. I have used my best efforts to obtain the information requested in this statement. The responses I have provided to the items above are true and contain all the requested facts and information of which I have notice or knowledge. I have provided all requested documents in my custody, possession, or control. I know of the penalties for false statements under 18 U.S.C. § 1001, 18 U.S.C. § 1621, and 18 U.S.C. § 1623 (five years imprisonment and/or fines). I certify under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed on:

(Date) _____

Signature _____

Corporate Position

CONSENT TO RELEASE OF FINANCIAL RECORDS

I, _____, do hereby direct any bank or trust company at which I have a bank account of any kind or at which a corporation has a bank account of any kind upon which I am authorized to draw, and its officers, employees and agents, to disclose all information and deliver copies of all documents of every nature in your possession or control which relate to the said bank accounts to any attorney of the Federal Trade Commission, and to give evidence thereto, in the matter of *FTC v. Wealth Educators, Inc., et al.*, now pending in the United States District Court for the Central District of California, and this shall be irrevocable authority for so doing. This direction is intended to apply to the laws of countries other than the United States which restrict or prohibit the disclosure of bank information without the consent of the holder of the account, and shall be construed as consent with respect thereto, and the same shall apply to any of the bank accounts for which I may be the relevant principal. This consent form is being executed pursuant to court order.

Dated: _____, 2015

Signed:_____